



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

AUGUST 9, 2005

PRESENT: Acevedo, Davenport, Escobar, Koepp-Baker, Lyle, Mueller

ABSENT: Benich

LATE: None

STAFF: Community Development Director (CDD) Molloy Previsich, Director of Business Assistance and Housing Services (DBAHS) Toy, Deputy Director of Public Works (DDPW) Bjarke, Senior Planner (SP) Tolentino, and Minutes Clerk Johnson

Chair Lyle called the meeting to order at 7:01 p.m., and led the flag salute.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

ADMINISTRATION OF THE OATH OF OFFICE

The Honorable Irma Torrez, City Clerk of Morgan Hill, administered the Oath of Office to reappointed Commissioner Geno Acevedo and newly appointed Commissioner Mike Davenport. Following the swearing in procedure, Chair Lyle invited Commissioner Davenport, who was heartily welcomed by all present, to give an overview of his interests, with Commissioner Davenport courteously responding.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Lyle presented the opportunity for public comment.

With no one present indicating a wish to address matters not on the agenda, the time for public comment was closed.

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MINUTES

MINUTES of
JULY 26, 2005

COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO APPROVE THE JULY 26, 2005 MINUTES, WITH THE FOLLOWING MODIFICATIONS:

Page 9, paragraph 5: ~~\$4,000~~ **\$4,400** ~~\$1,000~~ **\$1,100**

Page 11 paragraph 6, line 2: ~~completing~~ **starting**

Page 11 paragraph (Resolution): ~~\$4,000~~ **\$4,400** ~~\$1,000~~ **\$1,100**

Page 12 last bullet: ~~delete~~

Page 13, 7th bullet: ~~whether downtown could incorporate 100 units within one 1-year~~ **no wish to have additional allocations given for 2007-08 for downtown;**

Page 14, paragraph 7 [~~delete entire paragraph~~ and replace]: *Chair Lyle elicited a straw poll with Commissioner Acevedo being the first to respond, by saying, "It depends on the interpretation." He added he did not like the exchange proposal. "I don't like it partly because of the fact that when a project exchanges out of the years allocations were awarded, that project is no longer receiving awards based on scoring comparisons with other project in that year. However," Commissioner Acevedo continued, "if the City Attorney interprets the Measure C code more favorably towards exchanging projects rather than exempting them entirely, then I would favor the path of least resistance. If Measure C is to be changed, I would rather fully exempt downtown projects. I would also want to not exempt them from the cap, but readjust the cap later." (referencing page 4) He further indicated his belief that projects should not have to compete in the downtown if that is what City Council wants and can legally do it. Therefore, Measure C should not have to apply to them. However, a minimum design standard must be developed for these non-competing projects. He went on to explain: It would be like a "Design Handbook" for the downtown high density and vertical mixed use projects. All these projects would have to do is meet a check list of these design standards. This downtown exemption would be short lived (sunsetted).*

Page 15, paragraph 2: ~~feasible~~ **possible** under the Current Ordinance

THE MOTION CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, ESCOBAR, KOEPP-BAKER, LYLE, MUELLER; NOES: NONE; ABSTAIN: DAVENPORT; ABSENT: BENICH.

NEW BUSINESS:

1) ZA-05-06:
CITY OF
MORGAN HILL -
MAST STREET
PUD DISTRICT
AMENDMENT

An amendment to the zoning designation of a 2.94-acre parcel located at the northwest corner of Mast St. and Railroad Ave. from MG, General Industrial to PUD, Planned Unit Development. The purpose of the PUD zoning is to allow concrete batching plants as a permitted use on the subject property.

DBAHS Toy presented the staff report, advising that this agenda item had resulted from City initiated action for location of the batch plant. At the direction of the Commissioners, staff had prepared a plan for a PUD overlay and within the PUD specific plan, DBAHS Toy indicated, permitted uses have been added dealing with batch plan and guidelines: restrict truck traffic hours and routes and authorize silos 70-feet high.

Chair Lyle called attention to the requirement that no trucks would be permitted on residential streets, asking if Mast and San Pedro are considered residential. Chair Lyle said he raised the issue because these are close by the operation; and lack of use of those

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streets would cause a 'long route' for trucks. DBAHS Toy said he did not think the operation would lose the availability of use of those streets. Commissioner Escobar said the two streets noted by the Chair are only residential along Jasmine Square. These remarks produced discussion of possible routes for the cement trucks.

Commissioner Mueller suggested that PUD uses should reference the MG code and then specify additional allowed uses. The Commissioners agreed that would be preferable.

Chair Lyle opened the public hearing.

The applicant, Anthony Goularte, 130 E. Main Ave., addressed the Commissioners and spoke to the issue of restrictions of trucks on the residential streets. Mr. Goularte said that he tries to avoid downtown with the trucks from his business, even though his competitors do send trucks through the downtown area. "I would like to see all trucks barred from downtown streets," Mr. Goularte declared. He told of the future configuration of a batch plant, including the fans/vacuums which pick up dust particles for putting into the silo. Mr. Goularte explained the separation of sand and rock for recycling purposes. Turning to traffic patterns, Mr. Goularte said he wants to avoid residential streets for hauling if possible, but sometimes the drivers may need to use the shortest route through town, and they do make deliveries within residential neighborhoods. He reminded that his is a 'small company in a small town'.

The Commissioners and Mr. Goularte engaged in discussion regarding egress to Butterfield; staff was directed to look at the matter for the best resolution.

Commissioner Mueller clarified that deliveries of the product on Saturday were prohibited before 8:00 a.m. (and 7:00 a.m. on weekdays).

Mr. Goularte reminded that the issue before the Commissioners is the result of a City proposal and he assured that he wants to participate in the updated zoning/Downtown Plan for his existing site.

With no others present to address the matter, the public hearing was closed.

DBAHS Toy responded to Commissioner Mueller's concerns regarding the wording in the draft Resolution of not using the residential streets and how that could affect business operations of the batch plant by suggesting that the 'non-residential streets delivery' language be modified.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 05-45, ESTABLISHING A PLANNED UNIT DEVELOPMENT (PUD) OVERLAY FOR A 2.94-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF MAST ST. AND RAILROAD AVE. TO ALLOW CONCRETE BATCHING PLANTS AS A PERMITTED USE AND SILOS UP TO 70-FEET IN HEIGHT, AND NOTING THE ADDITION OF TWO MODIFICATIONS UNDER PERMITTED USES:

- (1) concrete batch plant to be permitted with all others in MG code (by reference) [with the same language to be included on the conditional uses]**
- (2) development standards: modification to item #3, residential deliveries shall be permitted to job sites within the City**

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CHAIR Lyle asked that the motion include A REVIEW FOR POSSIBLE MODIFICATION AT CHURCH STREET, as well. COMMISSIONER MUELLER AGREED. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; BENICH WAS ABSENT.

Chair Lyle, with the concurrence of the Commissioners present (Benich was absent), moved agenda item 3 to this point to facilitate discussion for those present with an interest in the matter.

OTHER BUSINESS:

**3) MODERATE
INCOME
PURCHASE
GUIDELINES**

Discussion regarding the preferred approach for establishing the purchase price for a moderate income affordable residential dwelling in projects awarded a building allocation under the City's Residential Development Control System.

CDD Molloy Previsich gave the staff report, telling the methodology the City uses for determining moderate rate housing sales prices. The objectives for the program had been set about three years ago with staff now reconsidering the program requirements, working in conjunction with local developers, she indicated.

CDD Molloy Previsich noted that the moderate rate dwellings do not have deed restrictions and that the sales prices of the 'moderates' are higher than originally anticipated. Developers have also indicated concern that the square footage(s) of the moderate rate units are currently sized nearly identical to the market rate houses which sell for a higher price. CDD Molloy Previsich told the Commissioners that staff has recently focused on the program's objectives - how best to meet those objectives.

Chair Lyle remarked that ABAG only looks at income characteristics of households, and that the ABAG organization measures the income levels every ten years. "It's not a *hard* science, but gives indication of the fair share allocation," he stated.

Chair Lyle went on to tell of the effects of the City's reporting: first the numbers are obtained from ABAG's housing adjustment, and then the local housing element is completed.

Chair Lyle asked for clarification regarding sale of moderate units, as to how determination is made for qualification of a potential owner? CDD Molloy Previsich explained that documentation must be provided by the buyer at the time of sale regarding household income.

In reviewing the matter, Commissioner Acevedo questioned the sense of urgency in presenting the matter at this time. "We have seen only a couple of examples in the staff report. Has there been a demonstrated problem which would warrant immediate action?" he asked. CDD Molloy Previsich responded that the non-deed restricted dwellings have revealed higher sales prices than anticipated, causing City officials to question the viability of the program now versus the original intent (providing homeownership to limited income families).

Commissioner Acevedo inquired of the size of units? CDD Molloy Previsich advised that she had been told that these 'moderate income units' were pretty much in the range with

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the rest of the housing developments (including the market rate units) and had not been downsized much more than other units.

Chair Lyle opened the public hearing.

Richard B. Oliver, 275 Saratoga Ave., #105, Santa Clara , spoke with the Commissioners, saying he had sold the first 'moderate rate' house in Coyote Estates and was working on others in his other subdivisions (Mission Ranch and Alicante). Mr. Oliver indicated his main concern with the matter under discussion was that there appears to be an effort by City staff toward 'changing in midstream'. Mr. Oliver said, "It appears now the City wants to control the moderate rate units just like BMRs, with only residents of Morgan Hill being eligible to apply for purchase of the units. This is new," Mr. Oliver declared as he read from a City memo regarding priority for residents of Morgan Hill for the units. He continued by speaking to other sections of the list within the memo, including a statement of prequalification. Mr. Oliver said that the moderate and BMR units in Alicante were placed on 9,000 sf lots and the market rate units on lots of 12,000 sf in size. He went on to speak to the placement of the lot sizes in Coyote Estates and Mission Ranch, and spoke to the matter of housing sales prices.

Mr. Oliver emphasized that the moderate unit sales price range can be different in different projects, as well as different prices of market rate units. He said, "If a developer sells a house at \$680,000 in the moderate range, they will be giving away probably over \$30,000. Each house has to be sold in this range with no restrictions, but if you make the purchasers income qualified without setting a sale price, and we realize the market can change drastically, it defeats the purpose and costs the developers much money." Mr. Oliver stated that it was his opinion and a real concern that there was an attempt at micro-management by City staff regarding the preparation of a list of persons qualified for purchase of the moderate rate homes.

Commissioner Acevedo said he would advocate a deed restriction of 'some type' for the moderate rate homes.

Mr. Oliver continued that it would be helpful if the City would just restrict buyers from selling within a set timeframe. He suggested that a program be developed so that if a purchaser sells within that time, that the money be given back to the developer. Mr. Oliver provided an example of such a program which is in place in southern California: a sale within so many months or years sends a percentage of dollars back to the developer.

Commissioner Mueller commented, "In the proposal the (appointed) committee sent forth it looked pretty neutral with the prospective price for the houses to be around \$400,000, but now we're talking about housing at \$700,000." Mr. Oliver agreed, as he told of the rapid acceleration of townhouses prices which he said has 'been staggering'. Commissioner Mueller said, "If the market cools, we will be back to more normal circumstances and then the economy could squeeze buyers from the market.

Mr. Oliver offered the thought that it might be better to control the size of a house rather than the price. It was noted during discussion that the Alicante development is an exception, as the theme is more toward large ranch type lots and units.

Commissioner Mueller asked if the person who buys the house must move into the house.

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Mr. Oliver explained that arrangements must be explicit in planning a double escrow if the buyer does not occupy the home.

Rocke Garcia, 1000 Old Quarry Rd., San Jose, stressed he is 'caught on both ends of the situation'. "I definitely will not put into the downtown development any restricted moderate homes," he said. "Buyers don't want to get into a situation like that, and I believe this entire thing is income driven. The real issue," Mr. Garcia said, "is what's going to happen is that interest rates will be raised up slightly and that will create a slightly lessening of the home pricing." Regarding the memo from the City, Mr. Garcia said he was definitely opposed to the City creating an 'eligibility list'. Mr. Garcia resolutely stated, "These buyers will want to upgrade." He also stated, "I think by reading the City's memo, staff doesn't recognize what the issue is."

With no others present to address the matter, the public hearing was closed.

Chair Lyle said, "When this category was set in the criteria, the intent was that it would be revenue neutral to the developers; income levels drive the numbers for moderate rate units imbalance at present time. If interest rates go up, the price of houses goes down, but incomes may go up."

Commissioner Mueller said he thought it was driven by what the market will pay for a house. Speaking of the work done in the committee, Commissioner Mueller said, "At the beginning, the low \$400,000's worked, but prices have escalated so much, and now the question is that money is being taken from the developers. During discussion that followed, Commissioner Mueller and Chair Lyle agreed deed restrictions might be difficult and looking at the size of the units could be a good avenue. "Maybe we do need to look at some sort of format to prevent moderate rate income buyers purchasing for investment – and make sure the buyer will live in the unit.

DBAHS Toy clarified the housing plan and methods of determining eligibility [income]. He assured it was not staff's intent to place deed restrictions or limit purchase to Morgan Hill residents only, and the memo referred to by Mr. Oliver and Mr. Garcia was for a different program, not their "non-deed-restricted moderate income units".

Commissioner Mueller provided some background and rationalization of the committee's work as he explained the purpose of the program.

Chair Lyle observed that what appears to have happened is that the City has begun a 'midstream policy interpretation' in terms of not setting sales prices, but only verifying income eligibility, while he noted that the developers are definite as to the commitment for income level.

Commissioner Mueller offered his opinion that it will be important to look at keeping size(s) of the units down and not put deed restriction in place. However, he did state that having the buyers be residents or employed in the City had long been discussed.

Chair Lyle addressed the question earlier raised by Commissioner Acevedo regarding 'why be concerned with this matter now', as he explained the need to determine when to make any changes. "September brings some important deadlines and we need to be clear to the applicants for the Measure C allocations," he said.

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Commissioner Acevedo again spoke in favor of ‘some type of deed restriction’ and suggesting that to be important if the developers have an artificial cap or ceiling on their selling prices. Commissioner Acevedo led the discussion, saying, “So if there is a limited deed restriction, which could be something like ‘no equity accrued until in the buyer has lived in the house for at least two years, the ceiling might not be forced too low.’”

Commissioner Escobar commented that the Planning Commissioners probably don’t have enough information at this point to make a firm statement, but need to explore many issues including discussion with residential builders. “A two-year residency may be feasible,” Commissioner Escobar stated as he cited Federal government rules for capital gains.

Chair Lyle noted that for the developers with final maps in process, it may be better to consider having smaller units for allotments, and the developers should look at other options, as well.

Staff was directed to continue work on the matter with further reporting in the future.

The regular order of the agenda was resumed.

Commissioners noted the recent promotion of Rebecca Tolentino to Senior Planner and offered congratulations to her.

NEW BUSINESS:

2) ZA-04-12: COCHRANE – DINAPOLI/ BROWMAN

The Planning Commission is requested to provide comments on the Draft Environmental Impact Report for the 657,250-sf sub-regional commercial shopping center proposed at the northeast quadrant of Cochrane Rd. and Hwy 101. The subject site is 66.49 acres in size and is zoned PUD (HC), Planned Unit Development (Highway Commercial).

SP Tolentino gave the staff report, noting this item is not for definitive action, but Commissioners are requested to present comments on the draft EIR for the project.

SP Tolentino provided a brief project overview of the matter, advising that the applicant proposes five general categories of use for the project; large anchor stores, majors, retail shops, pads (commercial and restaurants) and a multi-plex cinema. The entitlements requested include a zoning amendment (PUD), general plan amendment, subdivision map, conditional use permit, architectural and site plan review, development agreement and tree removal plan. With such entitlements, SP Tolentino said, the Planning Commission and Architectural Review Board (ARB) are advisory. Explaining the process for this meeting, SP Tolentino reiterated that there would no voting but comments from the Commissioners would be placed in the record. For the benefit of the public, SP Tolentino said that the City would accept comments on the draft EIR until August 29, 2005. SP Tolentino noted the consultants for the City were present: Erika Spencer, Pacific Municipal Consultants, 585 Cannery Row, #304, Monterey; Jason Nesdahl, 775 Chapman St., San Jose; and Raymond Kennedy, 2239 Oregon, Berkley.

Chair Lyle opened the public hearing.

Leigh Prince, 255 W. Julian St., San Jose, representative of Cochrane Plaza, spoke to the

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Commissioners in opposition to the proposed project and raised the following objections to the content of the EIR:

- urban decay: even with mitigation measures, impacts on Cochrane Plaza will be significant as the mall will lose an anchor store [Target] and others may leave as well since those stores can/will break leases
- remaining stores may not be enough to keep Cochrane Plaza in business [Ms. Prince told of the hesitancy of other businesses to remain in business at that location if Target is not there to 'draw']
- if Cochrane Plaza goes dark, it will be detrimental to city
- disagreement with the economic report that there will be limited mitigation needed
- one interesting fact: if Target is committed to the new center, it is unknown what other impacts will be on Cochrane Plaza
- loss of 66.49 acres of prime ag land [Ms. Prince noted this is against City stated purposes]
- potential for air quality detriment
- increase in the number of car trips will reduce air quality and increase traffic

In view of what he termed 'face value' statements, Commissioner Mueller asked Ms. Prince to further comment on her declaration that 'Target was happy where they are and don't want to move'. "Why is there an implication that if Target leaves, other store would move also. You appear to imply that Target wants to move just because the new center would be there and not expand at the present location."

Ms. Prince responded that if Target goes, there is no guarantee they have a draw for others at the current location plus there are clauses in some of the contracts, that if Target leaves, they could void the leases. Ms. Prince cautioned that dependent on what happens in association with this project, Cochrane Plaza may 'go dark'.

Commissioners Escobar questioned the volume of business on daily basis at Cochrane Plaza? Ms. Prince could not provide the exact numbers.

Commissioner Koepp-Baker noted Ms. Prince spoke about Target being an anchor store and each store (52.8% of the others) can 'opt out' while others are renewing leases expressing suspicion the possibility of those leaving may be overstated. "Plus you can have new people (businesses) coming in," Commissioner Koepp-Baker stated. She continued by asking about the types of stores Ms. Prince referred to as a possibility of leaving. Ms. Prince and the owner of Cochrane Plaza responded, "Retail and food service."

Commissioner Escobar inquired as to how much square footage is under discussion at Cochrane Plaza? Mike LaBarbera was present and identified himself as a former owner of Cochrane Plaza, and stating that there is about 270,000 – 300,000 sf total.

It was noted in discussion that Big 5 Sporting Goods lease is up later this year.

Mike LaBarbera, 1765 Lucca Place, San Jose, spoke to the Commissioners, admitting to 'mixed emotions' as a former owner of Cochrane Plaza. He said that even though there are issues with the proposed project, he was present to speak on potential impacts to Tennant Station. Mr. LaBarbera commented that Target was grossly undersized at the

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present location and had previously identified about 6,000 sf needed for growth. He went on to identify other businesses that were tied to Target. Mr. LaBarbera then turned to 'underlying impacts not in the EIR but which needs to be discussed'. Mr. LaBarbera told of the Tennant Station development and the impacts that the proposed development will have on the movie theater and the bowling alley. "We have worked hard to bring the movie theater which the City said was needed. The local operators have spent \$4 million to get the movie theater underway and another \$1.5 million to develop it," Mr. LaBarbera stated. "Now as to my concern: according to the EIR, I believe the movie multi-plex will put the Tennant Station movie theater out of business and this says something about the values of Morgan Hill. It needs to be considered that the City asked us to put in the movie theater at Tennnant." Mr. LaBarbera stated that he agreed with the impacts to other centers in the City.

Commissioner Acevedo asked if, according to EIR, is there a projection that the movie theater at Tennant Station will fail, noting he had not seen that. Mr. LaBarbera said that the City can't have workshops for business growth and encourage business owners to bring in a theater, then program to have that business fail. "As far as the EIR goes, if the theater fails, would Tennant Station go into disrepair, no," Mr. LaBarbera said.

Commissioner Mueller asked Mr. LaBarbera why he had not worked on expanding Target? Mr. LaBarbera responded that he had, as a center owner, had been in talks with Target 'causally' and at that time Target officials were exploring looking at possibly Mervyn's. "The ball was definitely in their court," he said, noting that he 'only had a couple of conversations with Target' when he was working at the Cochrane Plaza, but then we sold it.

Chair Lyle inquired of Mr. LaBarbera as to the status of going from eight to eleven theaters at the Tennant Station site? Mr. LaBarbera replied they anticipated opening within a year.

John DiNapoli, 99 Almaden Blvd, #5, San Jose, and Darryl Browman, 100 Swan Way #206, Oakland, were present to speak to the Commissioners as developers of the center. Mr. DiNapoli told the Commissioners, that as additional background Target was unhappy with the space confinement of the current store and said, "If they can't do something, they will close the store and leave the community. There is a certain amount of corporate image involved. We thought that the current owner of Cochrane Plaza knew of the issues with Target. Target has told the City about their concerns at the present location. We believe it is important for the City to look at the image perception issue. That image that the City wants quality development is certainly there." Mr. DiNapoli stated that an EIR presents a 'worst case scenario' adding he believes if Target goes from the City, worse blight may result. Mr. DiNapoli told the Commissioners that a regional shopping center on the gateway corner would be beneficial as he spoke of the residential growth in the area and the residents could benefit from the shopping center. Mr. DiNapoli stated that Target did not think either Mervyn's location or the current location [in Cochrane Plaza] is feasible for an expanded location.

Commissioner Escobar asked what the trade area for the proposed center is? Mr. DiNapoli said it is expected it will draw from South San Jose through Gilroy south. He assured the center will be 'different from those in Gilroy today'. Mr. DiNapoli spoke at length on the issues of disposable income of the residents in Morgan Hill and the

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creation of a destination to draw trade from outside areas. "It makes a more viable community," he avowed.

Commissioner Escobar called attention that the EIR was 'brief on the downtown area' and suggests the downtown would be better suited to 'a niche clientele'. Commissioner Escobar asked clarification on the 'lifestyle clientele' and how it would differ. Mr. Browman said the best example was the City of Lodi. He indicated that ten years ago he had worked with City officials in Lodi in a concerted effort to take care for bringing in businesses. City leaders were supportive of his ideas, he said, and now the City has service/commercial uses which are successful. Mr. Browman also spoke to the issues of involvement with the Downtown Merchant's Association and having limited kiosks in the new center for referral to downtown business.

Commissioner Escobar said he was glad the developer had some understanding of and a willingness to work on trying to enhance the downtown as a component of the project. "My biggest concern is that the EIR is not broad on comment on retail," Commissioner Escobar stated.

Mr. Browman said Lodi uses cross-advertising which has helped business to succeed. He again assured that representatives from his group would want to sit on the Downtown Association Board and that by getting this in front of a lot of people all would benefit.

Mr. Browman further stated this could be a real opportunity for Cochrane Plaza to go for a new type of retail. Mr. Browman stressed that the developers had put together a team of 'long term investors' who are not trying to buy, put in the development, and leave. "We are committed to the long term," he underlined. Mr. Browman provided several examples of community work with various downtown associations. "We are committed to this project and to the community," he said.

With no others present to address the matter, the public hearing was closed.

Commissioners engaged in discussion on procedures for investigating the EIR. The following raised issues as indicated:

Commissioner Mueller:

- clarification of classification of business
- need for consistent sequential numbering of store types and pad locations
- some testimony suggests Target stays irregardless of whether this project goes; EIR should address issue of having target move or stay where is [SP Tolentino clarified that Target's letter to the City indicates the current location doesn't meet corporate lifestyle vision and therefore a different location is necessary.]

Chair Lyle:

Aesthetics

- need to identify how high berms will be (section 3)
- parking lots appear massive; need for more specificity of screening (how many cars can be seen when observations are completed from other areas)

Air quality

- significant concern that a lot of the presented data is past history
- failure to notice the effects of Calpine Metcalf station coming on

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- need for prediction and how the Calpine Metcalf station drives numbers at estimates of potential pollutants
 - ⊙ discussion ensued regarding a report from BAAQMD and others on monitoring and projections from the tables presented indicates ‘no effect’

Geology

- request for investigation of permeable concrete potential viability; question if such installation could be beneficial in mitigating flooding, bank instability, etc. such installation could possibly keep water in the community where it could be investigated for effectiveness and further the effect of current mitigation under the water section of EIR
 - ⊙ responding to a question, DDPW Bjarke agreed this technology is growing while cautioning the City wants to be very careful in a parking lot this size, such treatment could work but would like to further investigate; Chair Lyle said the EIR should investigate the matter
- possibility of have looking at wells in the area for City/municipal use;
 - ⊙ DDPW Bjarke said that was not being looked at for municipal use because of perchlorate issues; Commissioner Mueller said it might be possible to use the wells for landscaping; Chair Lyle said it could mean less strain on city resources

Water

- possible use of permeable concrete for enhanced water provision

Land Use And Planning

- ‘lifestyle’ dining and entertainment objectives overlap those of the downtown
- need for assessing the potential for a grocery at the Cochrane Plaza Target location – need to have voters approval
- errors in population estimates for 2020 and 2030
- basis for ‘capture of percentages’ in table 9
- need to revisit pages 23 and 24, including the referenced tables – as well as projection of effects on the Downtown
- need to revisit pages 23 – 28 and 40, relative to projected effects on the planned Downtown services

Noise

- need to address assisted living facility (sensitive receptor) proposed south of site

Public Services

- fire and emergency medical response assessments requires more detail
- concerns about fire, emergency medical and police: all the added usage requires more service, but the City is still staffing at the levels of 1991; the increase in retail would have impact on the need for more fire, emergency medical and police - not just runs but inspections, etc.
- disquiet that the police zone is limited on the east side of Monterey; this project would be adding a big area needing service
- EIR addresses estimates for the number of police calls but not the number of calls for fire or inspections
- when the General Plan was developed it called for looping of the road to Burnett for secondary emergency access

Transportation & Circulation

- shifting of designated 4-lane arterial south of Cochrane from DePaul to Mission View – Is adequate right-of-way on Mission View available?; need discussion of how four lanes will bridge to two lanes north of Cochrane

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- incompleteness of the assessment of public transit facilities; service is inadequate
- transportation section assumes diversion at Cochrane with 25% of the traffic coming from Cochrane and 25% off the freeway
- inconsistent analysis for intersection; furthermore, report not clear regarding additional lanes
- counts noted in the EIR were taken from a 2004 list of projects from the City [obsolete figures/projects] – resultant problem loss of years of development causing understatement
- need to include new courthouse in background analysis
- baseline development - cutoff dates
- recent housing developments on Cochrane not reflected in analysis; need cumulative numbers
- General Plan change must include impact of development
- impact of traffic if Target site is changed to a large grocery; what is delta for vehicle trips?; could alter trip patterns of the area – also need to have economic report of such installation have consistency
- need to address queue depth and weaving movements of people exiting freeway and entering project site
- traffic analysis should identify areas where thresholds marginally met
- traffic analysis does not account for housing units allotted to Year 2010
- substandard streets will be impacted (e.g., Half Road)

Utilities

- evaluate use of wells for landscape irrigation

Project Alternatives

- consideration of a supermarket instead of movie theaters
- need to revisit the City's General Plan Goals and policies for consistency
- discuss how well planned project meets objectives; does it address how City's goals for General Plan and economic growth met
- identify 'best mix' for the City while still achieving project goals
- citizens concerns about the proliferation of fast food restaurants; several more proposed here

Commissioners then focused discussion on:

- potential increase in Target sales
- increase in services for the public
- concern about the downtown lifestyle; it was noticed that dining and entertainment issues for the Downtown should be expanded in the EIR
- ABAG numbers listed in the EIR are faulted with the 'wrong impression' presented
- impact of development of Coyote Valley [will be great and should be considered]
- regarding the table business for the center, it seems the methodology is not consistent (table 9 page 22)
- noise issues

Commissioner Acevedo asked Mr. Kennedy the objective of page 57 appendix H was? Mr. Kennedy responded the table breaks out by detail various categories of retail (data obtained from the CA Board of Equalization. Mr. Kennedy explained he used the Santa Clara County per capita for retail sales and extrapolated a conservative projection for

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Morgan Hill then explained the methodology taking into consideration an increase in population and sales through 2010.

Discussion followed regarding an analysis of square footages and sales establishments. Mr. Kennedy explained that Morgan Hill could have more higher end restaurants with the project as he told of what (revenue and sales tax) can be captured from existing sales.

Chair Lyle stressed the Commissioners are not negative, but have concerns with especially the mix appearing to have dependency on Coyote Valley development.

SP Tolentino explained that the City Council will review all entitlements requested on project.

Ms. Spencer thanked the Commissioners for their comments, promising the consultants will come back with responses to those observations.

4) REQUEST TO SCHEDULE A SPECIAL JOINT PLANNING COMMISSION & ARCHITECTURAL REVIEW BOARD MEETING

CDD Molloy Previsich presented the request to schedule a special joint meeting with the Architectural Review Board (ARB) on September 1, 2005 for consideration of approval of plans for the relocation of the Morgan Hill Historical Museum building. CDD Molloy Previsich explained the museum building needs to be moved off the Civic Center site before the end of August so that survey work can begin for new library site improvement drawings. She stressed the Planning Commissioners need to be involved in the discussion/possible action of this item only.

BY UNANIMOUS CONSENSUS OF ALL COMMISSIONERS PRESENT, WITH BENICH ABSENT, THE MORGAN HILL PLANNING COMMISSION WILL HAVE A JOINT MEETING WITH THE ARB FOR THE PURPOSE OF CONSIDERATION OF APPROVAL OF PLANS FOR THE RELOCATION OF THE MORGAN HILL HISTORICAL MUSEUM BUILDING.

ANNOUNCEMENTS: CDD Molloy Previsich reported the following actions from the recent City Council meeting;
Sunsweet PUD

- ♦ approved with the first reading of the Ordinance and adoption of changes to the General Plan
- ♦ 40 units to the acre; and also no public parking areas would be included in the calculations for the General Plan determinations
- ♦ reduced the requirement for commercial space from 10,000 sf. to 8000 sf., plus additional changes to retail guidelines
- ♦ Conditional Use Permits for office space
- ♦ not 25% for all retail

Holiday Lakes - Unit One to LAFCO for inclusion into the Urban Service Area - Council directed staff to work on eliminating Urban Islands with LAFCO through annexation; Commissioner Mueller and Chair Lyle spoke about an issue with the annexing of the urban islands as related to Measure C requirements. CDD Molloy Previsich advised that LAFCO is offering to do surveys, legal description, waive fees, etc. in an effort to achieve the goal of urban island inclusion.

Chair Lyle asked for staff to further investigate ABAG issues regarding undeveloped lands.

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CDD Molloy Previsich reported that the City Council had taken action regarding the Downtown parking areas, broadened the boundaries to match the downtown RDCS area. Commissioner Acevedo suggested having a future agenda item to explore an Ordinance not restricting the numbers of fast-food franchises, but types, such as one McDonalds for a specific number of populations. That way, he said, if the City gets additional fast food restaurants, there would be diversity. While other Commissioners felt such action might be difficult, staff was directed to obtain information from other municipalities and the City's Legal Department.

ADJOURNMENT: There being no further business to come before the Commissioners at this meeting, Chair Lyle adjourned the meeting at 9:58 p.m.

MINUTES PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk